

## **ERSTE** **Closure of Ceska Sporitelna deal now expected to be end of July**

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The acquisition of Ceska Sporitelna (CS) by Erste Bank der oesterreichischen Sparkassen AG, originally planned for the end of June, is now likely to be closed with the transfer of shares at the end of July.

The postponement is due to a request from the Czech government in response to recent discussions arising in the Czech Republic regarding ownership structures in the banking industry. The government has requested that the structure originally proposed jointly by Erste Bank and the National Property Fund (NPF) be reorganised so that Erste Bank holds its stake in CS directly, rather than through a holding company. A new structure has therefore been negotiated. This has been agreed in principle, and is now awaiting formal approval by the Czech and Austrian regulatory authorities. This is expected to be given by the end of July.

On the basis of the expected July closing, the date of CS's initial consolidation in the Erste Bank group accounts would change to 31 July 2000.

This delay in the closing has not affected preparations for the planned restructuring of CS, which had already started following the signing of the purchase contract. These preparations have covered areas including customer service, IT and organisational structure. The new management team, with Jack Stack as CEO, will begin work on an operational level from 1 July as planned.

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